

² Comments of MetroPCS Communications, Inc., WT Docket 07-71 at 2-7 (filed May 7, 2007) (“MetroPCS Comments”) (addressing roaming); Comments of Sprint Nextel Corporation, WT Docket 07-71 (filed May 7, 2007) (“Sprint Nextel Comments”) (addressing special access issues).

providers.”³ Among these carriers, are four national carriers, five regional carriers, and more than 140 smaller carriers. In addition to facilities-based competition, there are numerous Mobile Virtual Network Operators (“MVNO”) competing in the CMRS market.⁴ These carriers compete in an industry that can be characterized as follows: “falling prices, dramatic improvements in service quality, and the ongoing development of new services”⁵ — all indicia of a competitive market. Public data demonstrates that carriers are behaving in a competitive manner, while customers have a multitude of competitive choices and are exercising those choices based on extensive competition.

From the consumer perspective, the competitive nature of the wireless industry is demonstrated by increases in subscribership, as well as growing voice and data usage. As CTIA reported, CMRS subscribership grew by more than 25 million new customers (approximately 12%) last year, bringing the total number of wireless consumers to 233 million.⁶ At the same time, customer satisfaction has increased significantly, with the number of customers reporting wireless problems reaching “a historically low level.”⁷

From the carrier perspective, CMRS competition is driving carriers to offer innovative wireless broadband services and pricing plans in order to capture new customers and to retain existing subscribers. Since the last CMRS competition report, carriers have continued to roll-out new wireless broadband technologies and are adding high speed broadband customers at

³ Comments of CTIA — The Wireless Association, @WT Docket No. 07-71 at 10 (filed May 7, 2007).

⁴ Since 2002, MVNO subscribership has more than doubled to 15.2 million. *Id.* at 13.

⁵ *Id.* at 11-12.

⁶ *Id.* at n.24.

⁷ *Id.* at 17

twice the rate associated with more traditional broadband services such as ADSL and cable modem service.⁸ Carriers are introducing a number of new innovative pricing plans for these broadband services, including some plans with unlimited messaging.’

Given this environment — falling prices, improving customer satisfaction, increasing penetration — the Commission must conclude that the CMRS market remains competitive.

11. ROAMING ISSUES MUST BE ADDRESSED IN THE APPROPRIATE DOCKET

The Commission should reject attempts to interject roaming issues into this proceeding.¹⁰ The *Public Notice* specifically noted that there would be no discussion of roaming due to the “separate ongoing proceeding on roaming obligations of CMRS providers.”¹¹ Despite this express statement, MetroPCS devoted the bulk of its comments to a discussion of roaming. Consistent with the Public Notice, the roaming portion of MetroPCS’ comments should be disregarded. MetroPCS has the opportunity to address these issues in the separate roaming docket and, in fact, was an active participant in the proceeding.¹²

Moreover, as properly demonstrated in the record in the roaming docket, there is no evidence of any anti-competitive behavior. Large carriers, such as Cingular and Verizon

⁸ *Id.* at 19.

⁹ *Id.* at 25-26.

¹⁰ MetroPCS Comments at 2-7.

¹¹ *Public Notice* at n.6; see *Reexamination of Roaming Obligations of Commercial Mobile Radio Service Providers*, WT Docket No. 05-265, *Memorandum Opinion & Order and Notice of Proposed Rulemaking*, 20 F.C.C.R. 15047 (2005).

¹² MetroPCS filed the following pleadings in the roaming docket: Comments (Nov. 28, 2005); Reply Comments (Jan. 26, 2006); Ex Parte Letter (June 2, 2006); Ex Parte Letter (Aug. 3, 2006); Ex Parte Letter (Mar. 2, 2007); Ex Parte Letter (May 8, 2007).

Wireless, noted in the roaming proceeding that they are net payors to their roaming partners.¹³ The record in that docket also demonstrates that the average roaming rates for consumers have fallen dramatically as a result of competition.¹⁴

III. SPRINT NEXTEL'S COMMENTS SHOULD BE DISREGARDED

Although the purpose of this proceeding is to examine the state of CMRS market competition, Sprint Nextel attempts to convert the proceeding into a special access/interconnection docket. The entirety of their comments is devoted to this subject, not CMRS market competition. As with roaming, this issue is the subject of a separate ongoing proceeding.¹⁵ Accordingly, the comments should be disregarded as beyond the scope of the *Public Notice*.

As ~~an~~ initial matter, Sprint Nextel raises its oft-repeated claims that AT&T, Verizon and other BOCs have exploited their purported monopoly control over bottleneck dedicated transport facilities to impose monopoly rents on special access services, increasing their rivals' costs to the detriment of wireless consumers.¹⁶ In support, Sprint Nextel offers nothing more than a re-hash of its spurious claims in the Commission's open *Special Access Proceeding* regarding the lack of competitive alternatives to ILEC special access services, and the BOC's supposedly "obscene" rates of return on special access services based on ARMIS data.¹⁷

¹³ Reply Comments of Cingular Wireless LLC, WC Docket No. 05-265, at 8 (filed Jan. 26, 2006) ("Cingular Roaming Reply Comments"); Comments of Verizon Wireless, WC Docket No. 05-265, at 11 (filed Nov. 28, 2005) ("VZW Roaming Comments").

¹⁴ Comments of Cingular Wireless LLC, WC Docket No. 05-265, at 11 (filed Nov. 28, 2005).

¹⁵ See *Special Access Rates for Price Cap Local Exchange Carriers*, WC Docket No. 05-25, *Order and Notice of Proposed Rulemaking*, 20 FCC Rcd 1994 (2005).

¹⁶ Sprint Nextel Comments at 3-9.

¹⁷ *Id.*

Apart from being wholly irrelevant to this proceeding, Sprint Nextel's claims are completely without merit. AT&T repeatedly has demonstrated the fallacy of Sprint Nextel's claims about the lack of competitive alternatives to ILEC special access facilities, as well as its contention that ARMIS data is a reliable indicator of the competitiveness of special access service, much less of BOC rates of return on investment." Moreover, in reciting its litany of complaints about AT&T's supposedly excessive special access rates, Sprint Nextel neglects to mention that, in order to obtain approval for its merger with BellSouth, AT&T committed, *inter alia*, to reduce its rates for DS1 and DS3 special access services in areas in which it has received pricing flexibility to price cap levels, to maintain such lower rates for 48 months from the Merger Closing date, and not to increase the rates in its interstate tariffs for special access services it provides in the AT&T/BellSouth in-region territory for 48 months from the Merger Closing date. Consequently, there is simply no basis for Sprint Nextel's contention that Commission action is necessary to re-impose onerous rate regulation on the BOCs in their provision of special access services, which the Commission has properly characterized as a "mature source of competition" in telecommunications markets.

Next, Sprint Nextel alleges that AT&T has adopted a "new 'corporate policy' to increase other wireless carriers' cost of call termination" by prohibiting direct interconnection.¹⁹ This simply is incorrect. AT&T has no such policy.²⁰ AT&T's policy has always been to support

¹⁸ Comments of SBC Communications Inc., WC Docket No. 05-25 (June 13, 2005); Reply Comments of SBC Communications Inc., WC Docket No. 05-25 (July 29, 2005); Letter of Sara L. Green, AT&T, to Marlene H. Dortch, FCC, WC Docket No. 05-25 (Oct. 10, 2006) Letter from Gary L. Phillips, AT&T, Inc., to Marlene H. Dortch, FCC, WC Docket No. 06-74 (Dec. 7, 2006).

¹⁹ Sprint Nextel Comments at 9-11.

²⁰ Shortly after the recent merger of AT&T and BellSouth, there was some internal confusion regarding interconnection policies and some requests for direct interconnection (continued on next page)

direct interconnection for CMRS call termination. Thus, there is no merit to Sprint Nextel's allegations.

CONCLUSION

For the foregoing reasons, the Commission should find effective competition in the wireless industry and dismiss the instant attempts to inject non-germane issues into this proceeding.

Respectfully submitted,

AT&T INC.

By: /s/ Michael P. Goggin

Paul K. Mancini

Gary L. Phillips

Michael P. Goggin

1120 20th Street, NW

Washington, DC 20036

(202) 457-2055

Its Attorneys

May 22, 2007

between wireless carriers and AT&T Mobility apparently were rejected. Despite the temporary internal confusion, AT&T's policy remains the same; there is no corporate policy or other bar that would preclude direct interconnection with Sprint or any other wireless provider for the purpose of terminating calls on the AT&T wireless network.